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OFFICE OF STRATEGIC SERVICES

SECRET

INTEROFFICE MEMORANDUM

TO: General Donovan

FROM: Balkan Section, RM, via Dr. William L. Langer

SUBJECT: Background of Bulgarian Fatherland Front

14 September 1944

1. The following is submitted in response to a request for clarification of CGS Official Dispatch #5607, Cairo, 13 September 1944.

2. The text of the cable is evidently garbled. In line 2, "East front" should read "Fatherland front." In line 3, "Military police" should read "Military League." In the same line, the sentence beginning "All of the factions making up" should read: "All of the factions making up the Fatherland Front are represented in the cabinet, Zveno, the Communists, the Leftist Agrarians and the Social Democrats, consequently most of the anti-German opposition."

3. The Bulgarian Fatherland Front, consisting of the "Zveno" political group, the Communists, the Pladne (Left) Agrarians, the Social Democrats, and elements of other political parties, became prominent as an anti-German force after the German occupation of Bulgaria in March 1941. The Fatherland Front has been particularly active during the past few months, having been powerfully encouraged by Allied and Russian military successes and the withdrawal of German occupation troops from Bulgaria's Black Sea ports of Varna and Burgas.

4. Through the close association between the Zveno group and the Military League (the latter is composed of high-ranking acting army officers who were aware of the strong pro-Russian feelings of the average Bulgarian soldier), the Fatherland Front was able to win over the major portion of the army and to put through its bloodless coup d'etat of 9 September 1944. The forces which marched on Sofia ten days ago and brought the present government into power were led by Colonel (now Major General) Damian Velchev, the leader of the Zveno group and a man with a strong influence in army officer circles. Velchev's close associate of many years, Colonel (retired) Kimon Georgiev became Prime Minister. Two other Zveno men were included in the cabinet, which also includes representatives of the Communists, the Pladne Agrarians, the Social Democrats, and the Democrats.

5. The Zveno group in the past has been conservative and authoritarian in internal policy, and anti-Italian, anti-German, and in favor of close cooperation with the other South Slavs. The Democrats were a middle-of-the-road, bourgeois party, favoring good relations with Russia but even more strongly oriented toward the Western Allies.

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To General Donovan from Balkan Section, R&A 251 2 25 Sept. 1964

6. The accompanying copy of the Balkan Section's regular weekly
Situation Report contains additional background information on pages
3-5.

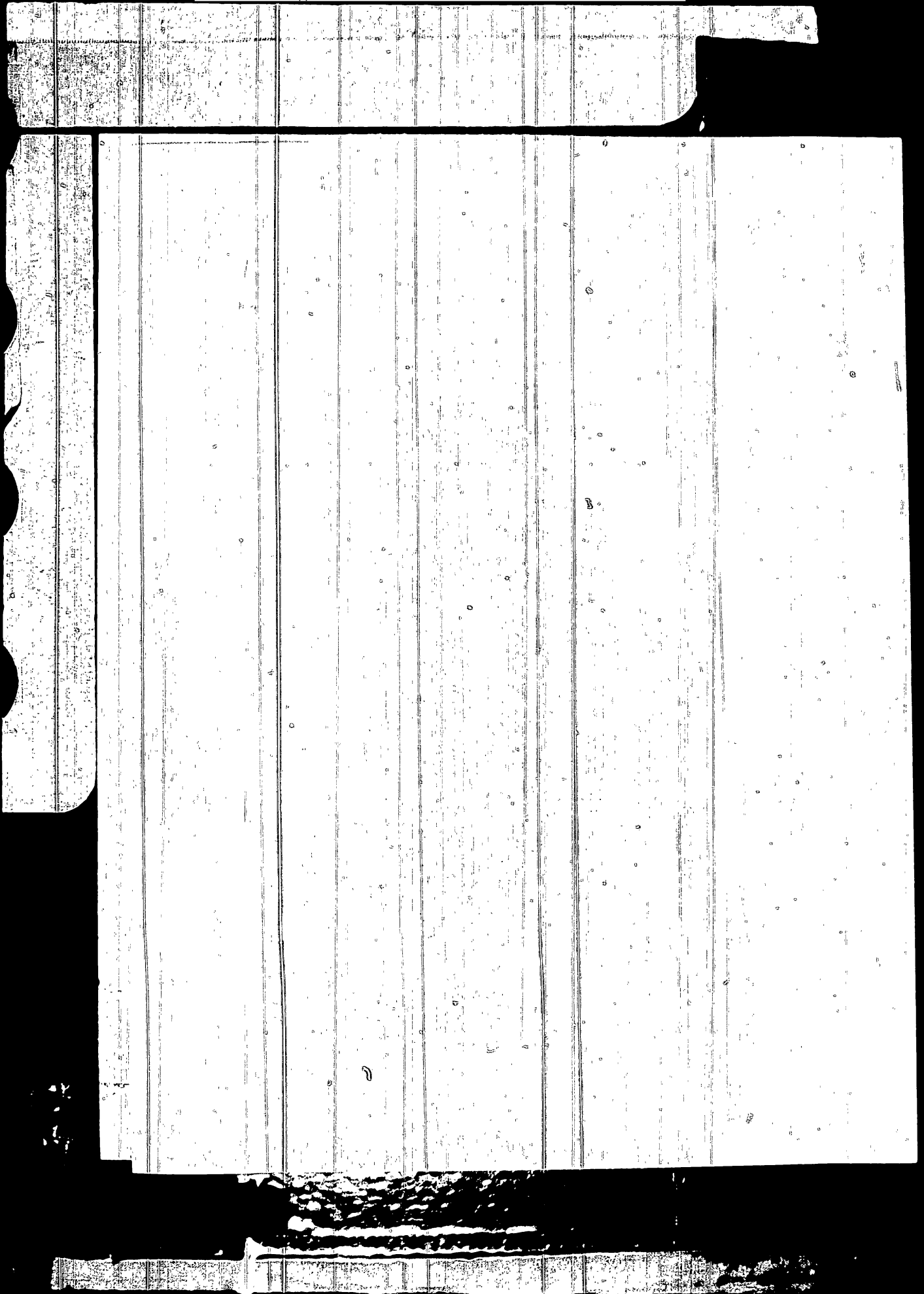
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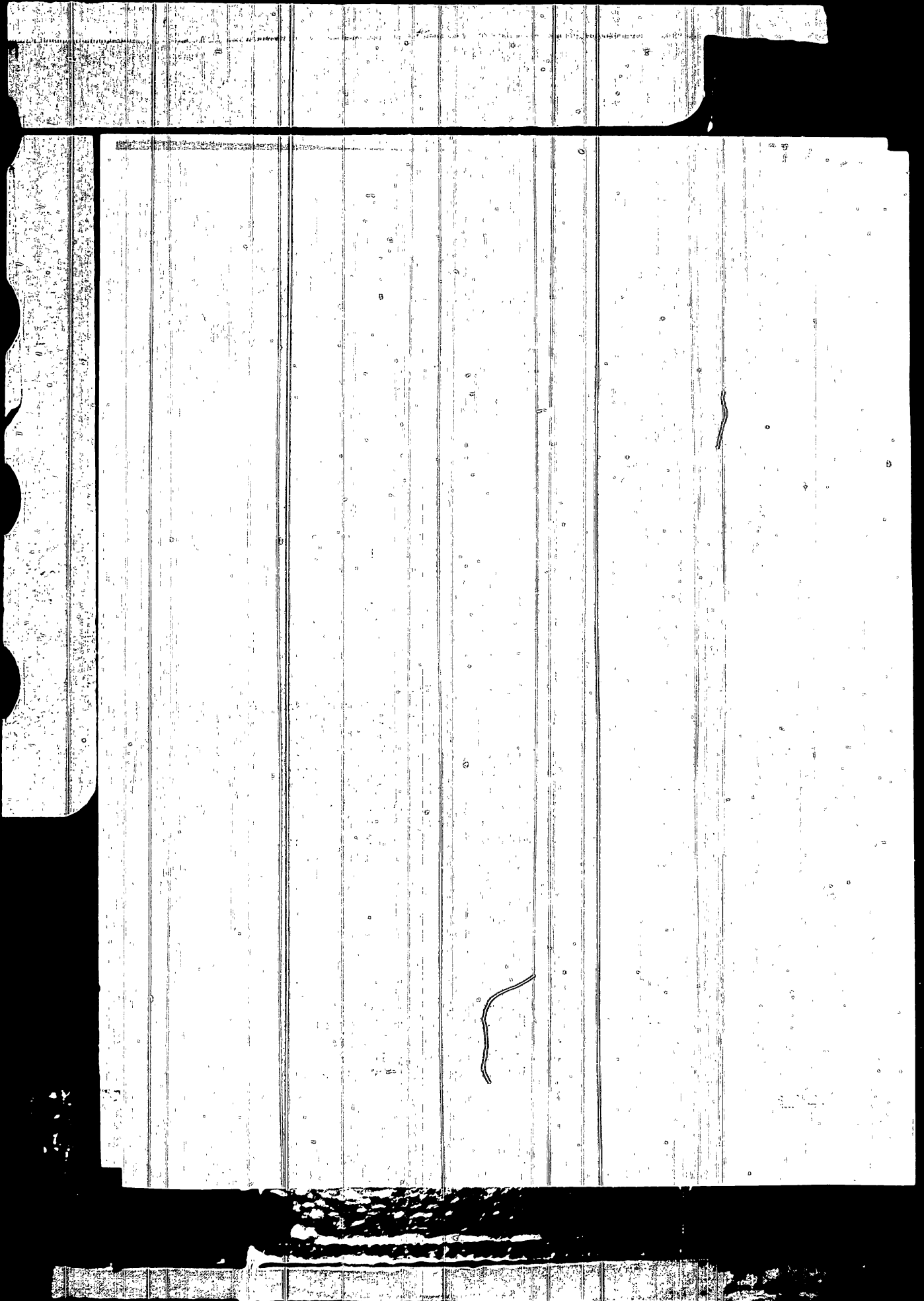
This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C. 1831, and the transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

(Press Intell. Cable)

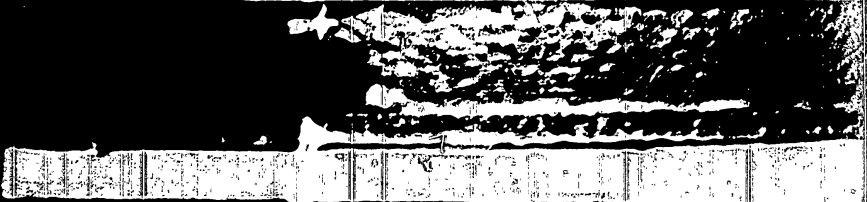
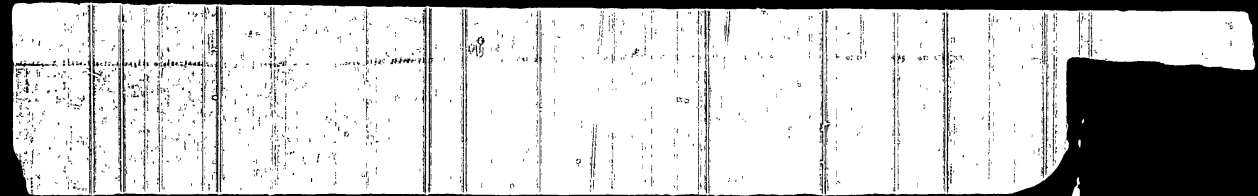
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Form 10 (Revised)

OFFICE OF STRATEGIC SERVICES

OFFICIAL USE ONLY

DATE
FROM

TO

OFFICE OF STRATEGIC SERVICES
DISTRIBUTION

(FOR ACTION)

RECEIVED IN CODE OR CIPHER

IT IS FORBIDDEN TO COPY OR REPRODUCE THIS CABLE
WITHOUT AUTHORIZATION FROM THE SECRETARIAT

SECRET

"The ...
did not contain
... Minister,
... there.
this minister of ...
of the three members of the
Cabinet; all turned against me;
from the anti-German ...
Hugobin via; they are anti-Communists,
standing ...

0 - 11

"Aswof" is well acquainted with the situation to know that their 1400 are. He can speak with regard to two other persons, Nikolai and Grigor, who were members of the Independent Socialist Party. They were members of the Second International and were opposed to Bolshevism. They were in favor of a federation of parties.

Two other
and Anti-Communist
Petko Stojanov
Democratic
Professor
Democratic

The ...
...
The ...
...

...the Chinese Government in order to...
...to pick up the...
...and the...
...government...
...in the...

"In the morning, I called the Mayor and
 fight between the Mayor and the...
 but I don't believe that the Mayor will have
 ability. It will be part in the...
 the Mayor is Cley, is a...
 event, I don't believe it is...
 the whole thing is..."

William J. Donovan
Director

Mr. James C. Dunn, Director
Office of Foreign Affairs
Department of State
Washington, D. C.

Dear Jimmy:

Will you please see to it that
attached letter is sent to the Secretary
of State.

Thank you.

Sincerely,

William J. ...
Director



[illegible]

The other members of the Cabinet who are pro-democratic and anti-Communist are Professor Petko Stainov and Professor Petar Stojanov. The latter was once a member of the

Hinton, ...

... of ...

... of ...

... of ...

... of ...

"The ...

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There ...

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William J. Donovan
Director

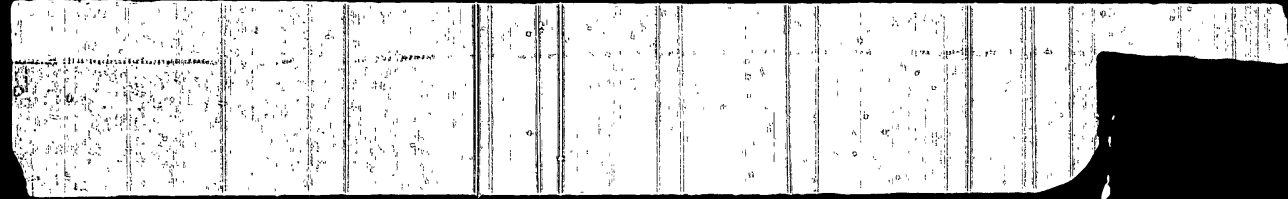
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SECRET

William J. Donovan
Director



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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

...and the friends of the ... are good
... friends, ... to know
... ..

On 10/12/2012, the FBI and other agencies received information that a person, identified as "Nicol" or "Nico", had been identified as a person of interest in the investigation of the 9/11 attacks. The FBI is currently conducting an investigation into this matter.

12. In 1930, while in the two other members of the
Petrov family, his father-in-law was a member
of the Petrov family, but after the death of 1934, he was
Zvonko, known as Prof. Petko Stojanov, known for
economic and leader of the Radical Democratic Party
and absolutely no democratic and ideologically



Attachment.

FROM:

Room 111

the file

EXT 2-24

... attacking planes ...
... 3,000 dead and ...
... of Sofia is ...
... face area ...

OFFICE OF THE DIRECTOR OF THE BUREAU OF INFORMATION

1-24-51

- 2 -

- the Bulgarians to dominate everyone's thoughts and feelings on all political questions.
- a) They have captured the people's desire to see Bulgaria out of the war.
 - b) In certain circles they have increased the estrangement from the royal family. In effect, it has been affirmed that the royal family was absent from Sofia on that particular day. It has taken up residence in a property outside of town and the legation have been transferred to Schanzenia.
Cham Kerna.
 - c) In military circles there is growing irritation against the Germans who have supplied only sparingly with light weapons for planes and heavy armament.
 - d) Surprisingly enough, however, the attacks have had practically no effect on the pro-Russian sentiments, despite the declarations by Russian diplomats during the last years, that as long as they were in Sofia, the war could not be ended.
4. In this respect, the people had occasion to remember an incident which took place in the "Loop" restaurant at Sofia at the moment when an alarm was sounded. Russian diplomats were present in the restaurant and declared loudly for every one to hear: "There is nothing to fear. It's a false alarm. As long as we are here, there will be no bombing of Sofia", and they ordered a general round of beer for all present.
5. However, this did not prevent the Soviet Legation from building an air raid shelter. This, by the way, was a well-founded precaution, as a bomb dropped quite near the legation on 10 January and damaged it.
6. If the bombings did not, after all, dampen pro-Russian feelings, it was because they were immediately followed by pro-Russian propaganda. The communist propaganda even went so far as to cite "the heroism of the Russian Army, whose impressive victories on

S E C R E T

the field of battle, and the
 the... ..

17.

3. The Russian Factor

The... ..

The... ..

3. The dominating thought in Bulgaria is that, in the absence of direct Allied operations in the Balkans, Bulgaria can avoid becoming a battlefield and will be able to count on Russian help when the Germans collapse.

S E C R E T

OFFICE OF PUBLIC AFFAIRS

- 4 -

C. Pan-Slavic Propaganda

1. This propaganda is becoming still greater. Even the communist party is using this pan-Slavic propaganda line.
2. The new theme of this propaganda stresses the transitory character of communism as a measure applied to strengthen production and the industrialization of the Russian military organizations which had been placed in jeopardy by czarist decadence.
3. It points to the present war as proof of the success of the "communist phase". The desired result having been obtained, Russia is pictured as being free to bring this phase to a close and to return, reinforced, to her traditional role of arbiter of peace and protector of the Slavs.
4. This propaganda has convinced many bourgeois circles and notably many representatives of the liberal professions.
5. The Soviet Legation, however, has never expressed itself officially on this subject.

D. The decreasing prestige of the Crown

1. The somewhat awe-inspiring respect which King Boris' strong personality aroused in the opposition, kept this opposition from attacking the royal family even during the time following the King's death. Now, however, the situation has changed and for the first time in many years, there is open propaganda against the Coburgs. This propaganda originates with former democratic parties as well as leftist circles by laying stress on the German origin of the royal family. It thus encourages the growing anti-German sentiments of public opinion.
2. People say that Bulgaria backed the losing horse in the last war because of Ferdinand's affiliation with the Germans. It is rumored that when he entered into the war he signed a secret agreement promising him 20 million marks "in case of defeat".

S E C R E T

U.S. POINT GUEST, FOR STAFF
WASHINGTON, D.C. 20540

...negotiating
...plans, all of
...limited to
...world's...
...politically
...Government...

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DATE 01-11-2001 BY 60322 UCBAW

SECRET

I am pleased to hear that you are

in the State Department.

I am sure that you will

in the State Department.

that Department is the only one

that representatives of the United States

will participate in the negotiations.

It is to be held at Cairo.

I call this to your attention

you will agree that the negotiations should be held in a neutral

location, not in the State Department, and that the negotiations

should be held in a neutral location, not in the State Department.

negotiations and prohibited political activities should be held

in a neutral location.

William J. Donovan

Director

FROM

SUBJECT

OFFICE

MEMORANDUM

SECRET

Mr. Whitney Shearman,
Office of Strategic Services
Washington, D. C.

Dear Mr. Shearman:

The inclosed cable from General Miller of 14 June, 1951, recently came to our attention and may be of interest to you.

Macfarland is extremely skeptical as to whether any progress can be made at the present time in the situation but, if terms are ever discussed, the cable inclosed may be helpful.

Sincerely yours,

/s/ J. E. Todman,
J. E. TODMAN
Lt. Col., A. C.
Director, OSS-ME

Incl: Cable #58355
AFHQ to WIDEAST

C
O
P
Y

SECRET

MOST SECRET

From:- AFHQ, mixed, WILSON
 To:- Air Ministry for British, 15 Feb 1945
 Info BRITISH WASHINGTON, 15 Feb 1945
 MIDEAST
 No:- 58355 F.W.T.

This is MEDCOS No. 49. In my report of 15 Feb 1945, I requested you forward any further instructions you may have for my mission. Should a request for conversations between authorized representatives BULGARIA and the Allied Nations be received. No specific instructions have been despatched to me.

Two I am informed H.M. Govt and USA Govt have approved to the Soviet Govt that Bulgarian Govt should be directed to send a qualified Mission to meet our reps at a place to be indicated later probably CYPRUS or CAIRO. I am further advised that a Roumanian emissary is arriving 27 Feb in MIDEAST. In view of this I feel it is necessary that I be furnished immediately guidance as requested in MEDCOS No. 35.

Three I recommend military terms for BULGARIA generally as follows and should be grateful if you would indicate any of (undermentioned?) you desire.

Four The conditions of an armistice are presented by "Blank", C-in-C of Allied Forces in Mediterranean, acting authority of the Govts of USA and GREAT BRITAIN, and in the interests of United Nations and are accepted by "Blank", head of Bulgarian Govt:

(A) The Bulgarian Govt will cease all hostile activities by its armed forces against any forces of United Nations and any

SECRET

FREEDOM 58375, TROST 1044, 10 Feb 44

forces co-ordinating with them.

(B) The Bulgarian Govt will arrange for immediate withdrawal of Bulgarian armed forces from all participation in current war from whatever areas in which they may now be engaged or employed to such areas as may be designated by the Allied C-in-C.

(C) BULGARIA will deny to the Germans and satellite powers all facilities and all resources that might be used against the United Nations and hold them at disposal of the Allied C-in-C. All external communications and commercial exchanges including goods in transit by air, sea, land and the Danube will be stopped except as authorized by the Allied C-in-C.

(D) The Bulgarian Govt will take steps to secure against seizure or attacks by the enemy and prevent removal or destruction of any part thereof without authority of the Allied C-in-C, all radiolocation apparatus, radio navigational aids, radio, cable and other telecommunication stations and systems under Bulgarian control, whether (owned?) by BULGARIA or its Nationals, or any other nations or its nationals not of United Nations. These stations and systems will be surrendered to the Allied C-in-C if required, in good repair together with all operating plans, diagrams, instructions and pertinent records and, if deemed advisable by Allied Authorities, qualified personnel to operate such equipment. No radio or telecommunications installations or other forms of intercommunication ashore or afloat, whether belonging to BULGARIA or any other nation other than the United Nations will transmit till directions for control of these installations have



OFFICE OF THE DIRECTOR
CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

CONFIDENTIAL





GENERAL J. DONOVAN

SECRET

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO Colonel John Haskell
FROM Lt. Col. Richard L. Riffell
SUBJECT Transmission of Document

DATE

The attached document (2 copies) is forwarded as per your request.

SECRET

6

0.11

Finances

The 1943 income was planned to be 35 billion (35,000,000,000) roubles, and the expenditure about 30 billion (30,000,000,000) roubles. At the same time the budgets of the Ministry of Defense (MD) and the Ministry of Internal Affairs (MVD) grew from 1939 to 1943 six times over. Actually a wide-spread devaluation of the rouble was taking place; and by the beginning of 1944 the amount of paper money in circulation, 100,000,000,000 roubles, was 100 times greater than in 1939.

1. $\frac{1}{2} \pi$

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Foreign Trade

...signature which
...are at the present
...was extremely un-
...August 1941
...which Bulgaria



assumed the average annual harvest of 10 million kilograms of grapes for the last year. The average export of grapes has been 10 million kilograms. 10 million kilograms of wine is 10 million kilograms of grapes, and 10 million kilograms of apples, all in the sum of 10 million Levs. This sum represents only 1/10 of the retail price of these products in Berlin. The Bulgarian tobacco growers are subjected to the same sort of robbery. The Bulgarian peasant is forced to sell his tobacco not only without profit, but even at a loss. Only an insignificant amount of tobacco is left in Bulgaria, essential for domestic consumption. The tobacco crop in 1942 was estimated at 60 thousand tons, of which 50 thousand tons had to be exported. It is the same story in regard to other products of Bulgarian agriculture -- eggs, chickens.

The Bulgarian management of foreign trade is connected with many German firms. In the tobacco trade, the decisive influence is held by the "Reemtsma" joint stock company. The export trade in fruits, vegetables and canned goods is almost entirely in the hands of German firms. The sowing and use of soy is controlled by "Soy Joint-Stock Company".

Yearly, Germany gets from Bulgaria approximately 150 thousand tons of grain, about 40 thousand tons of fruit, about 10 thousand tons of fats and oils, 20 thousand tons of vegetables, about 25 thousand tons of ~~meat~~ ^{meat}, eggs, wine, tobacco and several other commodities; specifically, products of the mining industry.

The foreign trade of Bulgaria with Germany, actually amounts to the robbery of Bulgaria, accomplished on the basis of clearing accounts. In compensation for Bulgarian export, Germany sends to Bulgaria either commodities destined for the construction of German military fortifications and strategic bases, or different kinds of "ersatz" of secondary importance at three times its price. There is no complete compensation for the export from Bulgaria, and the clearing debt is growing. In 1942 it was 15 billion Levs, and in 1943 it grew to 20 billion Levs.

Food Situation

As a result of the systematic robbing of Bulgaria, her economic position has become catastrophic. Food products which formerly were in abundance have disappeared. Meat, butter, eggs, and bread, because of the lack of grain, are in short supply. Bread, because of the lack of grain, is mixed with corn. The food situation is rapidly undermined by the lack of grain. The influence of the weather (an early and heavy frost, which a considerable part of the crop was killed by frost). The 1942 harvest was estimated to be 10-15% of the normal amount. Food ration cards were issued in towns, and the December, 1942, daily rations were decreased from 400 to 300 grams and the

"national standard" of bread was set at 150 grams per person daily. The bread was removed from the ration in the summer of 1942, and the daily ration of 150 grams was reduced to 100 grams. The ration of 100 grams was maintained until the summer of 1943, when it was increased to 120 grams.

The severity of the food situation in 1942 was judged by such an important factor as the impact of grain from Germany in the summer of 1942, with the result of which the Bulgarian Government was able to purchase a further cutting down of the bread ration. Germany carried out even this deal to her own advantage, since instead of 15,000 tons of rye and 6,000 tons of barley, she received from the new crop in the fall of 1943, 35,000 tons of wheat and 5,000 tons of corn.

The 1943 harvest in Bulgaria turned out to be much larger than the year before. This permitted an increase in the bread rations. In September, 1943, the usual civilian ration was raised from 300 to 500 grams, a ration of 800 grams was set for laborers, and 1,000 grams a day for miners.

The grain of the 1943 harvest is extracted in a new way. The peasant's compulsory deliveries to the State of grain and fodder, are reckoned from the land area which the peasant is required to sow, by order of the local authorities based upon an act of the council of ministers. The local authorities have been empowered to increase the amounts of these compulsory deliveries, depending upon the condition of the crops. After they have met their compulsory obligations in grain and fodder deliveries, the peasants are then free to dispose of what is left.

At the same time the numbers of products subject to requisition has increased. In February, 1943, by government decision, the sale of cotton and cotton yarn is forbidden. The requisitions commission was given the task of taking away from the producers by 1 April, 1943, all of the cotton remaining from the 1942 crop. In the fall of 1943, all remaining rice of the last year's crop, and the entire 1943 crop, was announced as being a State fund, and subject to requisitions. The government ordered also a complete accounting of the whole amount of the 1943 wine and vodka production, and of the other supplies.

A satisfactory harvest of grain permitted a significant improvement in the bread supply of the nation, nevertheless the situation remains totally unsatisfactory. The meat supply is particularly low in the last two years. The meat product supply is also low. According to official data, in 1943 there were 2 million sheep, 2 million chickens.

As a result of the famine in meat and fish, Bulgaria is experiencing a serious deficiency in meat. In November, 1941, in the large Bulgarian cities (Sofia, Plovdiv, Burgas, Varna and Shumen) a ration was established of 400 grams of meat per person per week. In the fall of 1941 the rural mayors were ordered to fight the peasants and to adhere strictly to slaughter procedures. It is not allowed to take meat from one peasant to another. As a rule, the population does not get even the amount of meat products they are entitled to in their ration cards.

Industry

In accordance with the rural nature of the country, in Bulgaria the greatest development has been made by the food and textile industries. The extent of the entire flour milling industry (8,638 mills in 1941) was about 10 million tons of grain milled a year. In 1942, over 75% of the mills were closed down on government order in the fight against illegal (without government permission) flour milling. The larger steam mills are concentrated at Burgas. In Bulgaria, there are 6 large sugar plants, whose output in 1940-1941 amounted to 35,000 tons of raw sugar. The tobacco industry is limited to the fermentation of tobacco, most of which is exported. The annual output of the edible oils industry is 25,000 tons of oil with a productive capacity of 75,000 tons.

The textile industry holds an important place in Bulgaria's economy. In 1937 the output of cotton textile industry was 26 million meters of cloth. 42% of the productive capacity of the factories is used. In 1937, Bulgaria had 27 spinning mills with 100,000 spindles and 70 textile mills with 3,600 looms. Before the war the Bulgarian cotton textile industry operated with 40% Bulgarian cotton.

In addition to this, Bulgaria has over 20 wool spinning, wool weaving and textile mills. In the textile industry before the war there were over 25,000 workers. This industry comes second only after the tobacco industry, in whose enterprises there are up to 30,000 workers.

War Industry

The metal-working and machine-building industry in Bulgaria is extremely undeveloped. The machine works turn out only the simplest types of construction and are occupied chiefly with the repair of equipment. Before the war the Bulgarian metal-working industry met only 25% of the nation's needs for metal goods; the remainder was imported. There is in Bulgaria no metallurgical industry of any significance. The poor development of the metal-working industry determines the very low level of Bulgaria's development of war industry, which, even in peacetime, was unable to supply the Bulgarian Army with armaments and munitions, and did not even attempt to meet these needs.

At the present time the Bulgarian Army's supply of armaments is entirely upon Germany. During the period 1940-1941 Bulgaria repeatedly received armaments from the Germans. Up to the present time a part of the Bulgarian Army—the 22, 24, 25 and 27 Infantry Divisions are not even equipped.



1. The first part of the document is a list of names and addresses, including "Mr. J. H. Smith, 123 Main St., New York City" and "Mrs. A. B. Jones, 456 Elm St., Boston, Mass."

The following are the names of the persons who have been appointed to the various positions in the various departments of the Government of the State of New York, for the year 1900.

1. The Commission has been informed that the Government of India has decided to grant a concession of 10% in the price of the goods to be supplied to the Government of India. This concession is to be granted to the Government of India for the purpose of enabling it to meet its financial obligations. The Commission has been informed that the Government of India has decided to grant a concession of 10% in the price of the goods to be supplied to the Government of India. This concession is to be granted to the Government of India for the purpose of enabling it to meet its financial obligations.

[illegible]

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Since 1917 the exploitation of lead and zinc ores has been in the hands of the German-owned company "Falten und Metallwerke AG" and the "Zinn- und Blei AG". The ore is delivered to the flotation plant at Kirovgrad, and the concentrates are sent to Germany. The amounts of the annual output of lead and of zinc ores are not large. Reserves of lead and zinc in explored deposits in Bulgaria are estimated at 350,000 tons and possible reserves up to one million tons. At present, deposits of lead-zinc ores near Plovdiv (Stanimoka station), containing up to 70% lead and a certain quantity of silver, are being prospected. Deposits of chrome ore were discovered near (Gumovgrad) and on the eastern part of Rodopska mountains. The chrome ores are poor, they contain only 3-10% chrome oxide. In 1942-43 at Kirdzhali a new plant was built (in addition to the 3 old ones) for the concentration of chrome ore. The chrome ore is delivered to the concentration plants by suspension line from the mines at the town of Maden (near the town of Darider).

The mining of chrome ore is in the hands of the Germans.

Deposits of iron ore are located at the base of the mountains (Burgas, Yambol, and Sofia regions).

In 1939, deposits of iron ore were opened up in the region of Yambol (Eastern Bulgaria). Ore strata in Bulgaria is estimated to be 300,000 tons in explored deposits, and approximately 1 million tons, possible reserves. The average yearly output of iron ore before the first world war was 6,500 tons.

The mining of iron ore is done in small quantities at Kremkovitsa near Sofia and at Elayovista, in the southern part of central Bulgaria.

Layers of gold ore in Bulgaria are estimated at 150,000 tons. The mining of gold (at Chirpansk) and of silver (at Trinska) is not significant. The average content of gold in the ore is 15 grams per ton of ore.

Of all the mining the most important for the Bulgarian economy are the significantly large deposits of coal and lignite.

Explored reserves of coal in Bulgaria are estimated at 140 million tons, and possible reserves at 180 million tons; bituminous coal 70 million tons and lignite 110 million tons.

Anthracite is mined at the Svob-Sofia basin; lignite-Trinova and Elena basins. Bituminous coal is mined in the basin of Parnik, Bobrov Dol and Pirin.

This mine is a...
of coal...

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of coal and...
it prevent the mining of coal in Bulgaria has increased
considerably, and an...
that country.

Bulgaria does not have its own petroleum. Prior
to the second World War, natural gas was discovered
in the Preslav region. Germany ran and the need for
liquid fuel by importing from Romania.

In 1938 the amount of liquid fuel used by industry
and the civilian population of Bulgaria was 160,000 tons
of petroleum products. In 1943, Germany made available
to Bulgaria only 19,000 tons of petroleum products, that
is 19% of the liquid fuel used in 1938, and this is evi-
dence of the extreme shortage of liquid fuel in Bulgaria.

In view of this, private individuals are absolutely
prohibited from using their own passenger cars; the number
of State automobiles is cut down (except for police and
military cars), and truck transport is under strict govern-
ment control.

Motor transport is in a similar situation.

All together, except for coal, the reserves of
strategic raw materials in Bulgaria are not significant.
The mining of ore is on a low level and is not an important
source for supplying Fascist Germany with strategic raw
materials.

Railroads

The total length of the railroads of Bulgaria is a
little over 3,000 kilometers. The gauge is 1,435 milli-
meters. All roads are single-track. In addition, there
is about 440 kilometers of narrow gauge line (750 and 600
mm.).

The main railroad runs from the west to the
eastern part of the country--the northern and the southern.

Other main lines connect Sofia, Plevna, Shumen, Varna.
There are also lines connecting the ports along the

Black Sea--Sofia, Burgas.
Sofia--Plovdiv,
Plovdiv--Gorna

The network is
developed in the northern and southern

There have been two trunk railroad
lines--Plevna--Shumen, Brekhovitsa. The
line for Brekhovitsa, 1,000 meters long, is on this

The construction of the railroad lines is difficult. Over all lines there are about 40 tunnels and 400 bridges.

The road bed and super structures in the main directions are kept in satisfactory condition. Light type rails are used. The superstructures of the main railroads of Bulgaria permit a speed of not over 20 - 25 kms. per hour.

On the second-rate lines the speed of traffic is from 15 to 25 kms. per hour.

The calculated traffic capacity of the railroads, by separate lines was (according to 1939 data) in pairs of trains per day:

Dragoman - Sofia - Plovdiv - Svilengrad	18
Sofia - Kyustendil	20
Tulovo - Rakovski - Momchilgrad	11
Sofia - Makotovo	12
Plovdiv - Panagurishe	10
Plovdiv - Karlovo	16
Plovdiv - N. Zagora - Karnobed - Burgas	14
N. Zagora - Zlati-dol	14
Karlovo - Zemitse	10
Sofia - Mezdra	25
Mezdra - Lom - Vidin	13
Mezdra - Plevan - Shumen - Varna	16
Plevan - Somovit	2
Levskii - Svilachov	13
Ruse - G. Orskhovitsa - Dabovo	11
Ruse - Razgrad - Iacpichani	11

It should be borne in mind that it is difficult to attain this traffic capacity, since the stations are not sufficiently up-to-date.

The rolling stock is kept in satisfactory condition, but there is only enough of it to meet about 60 - 70% of the domestic needs.

In 1942-1943 the construction of several new railroads was completed under German supervision: Shumen - Karnobed (north to south), and the line Gorno - Dzhumaya - Petrich was changed over from narrow to wide gauge. Both of these railroads are military - strategic roads of importance to the Germans, and also to the Bulgarians.

The Kumanovo - Kumanovo (Yugoslavia) line has been completed. Along the line there is a tunnel 4 kms. long.

The German interest in the new line Varna - Sindel. The German interest is located in this line, since it improves communication between Greece and Eastern Europe.

According to information, which needs to be checked, work is under way to connect the Sofia - Petrich line with Seres (Greece). Germany's interest in this line is self-evident.

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Bulgarian
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In connection with the second front on the Danube, the German command, military and naval, has taken hastily to strengthen the defense of all the Bulgarian - Turkish border of the Black Sea, particularly on the shore of the Black Sea.

The only part of the shore suitable for landing an invasion - Sarafovo village in the vicinity of Burgas - is equipped with coastal defense batteries. Fortifications, noted on the Bulgarian - Rumanian border to the east of Ruse, are evidently for covering another crossing of the Danube with floating craft. Fortification of the Bulgarian - Turkish and the former Greek - Turkish borders, bearing in mind the naturally difficult terrain, presents a formidable obstacle for an advance on Bulgaria from the south.

Bulgarian Army

According to available data, the Bulgarian Army as of 25 February 1944, is made up of the following:

The land army is composed as follows:

Army administration	- 5 (1, 2, 3, 4, 5)
Administrations of	(1, 2, 3, 4, 5, 6, 7, 8)
occupation corps	- 2 (10, 11, 12, 13)
	(14, 15, 16, 17, 20)
	(22, 24, 25, 27)
Tank division	- 1 (1)
Cavalry division	- 1 (2)

The grouping of the Bulgarian Army on 25 February 1944 was the following:

1. In Bulgaria:

Infantry divisions - 10 (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12)

Tank division - 1 (1)

Cavalry division - 1 (2)

2. In Yugoslavia:

Infantry divisions - 7 (11, 15, 21, 22, 24, 25, 27)

3. In Greece:

Infantry divisions - 5 (7, 11, 13, 16, 17)

(Detailed memorandum on the composition and location of groupings and units of the Bulgarian Army is attached. See appendix No. 2).

We also have at our disposal other data on the distribution of the Bulgarian Army, which differs slightly with the information set forth above. For instance, according to this, there are not 22, but 24 infantry divisions plus 6 brigades of border guards. In Bulgaria itself, according to this data, there are not 10 but 9 infantry divisions and 6 brigades of border guards. In addition, according to this data, in Bulgaria itself there are no cavalry units. In Yugoslavia, according to this data, there are not 7, but 8 Bulgarian infantry divisions in addition to cavalry regiments and 2 brigades of border guards. In Greece, according to this data, there are not 5, but 6 infantry divisions and 1 cavalry brigade ^{consisting} of ~~part~~ of ^{the} ~~the~~ information on the break-down of the Bulgarian Army is under study and clarification.

Most of the airplanes of the Bulgarian armament are the out-of-date construction of foreign firms. Moreover, a large number of the present models arriving from Germany for the Bulgarian air units are out of order.

This is because of the lack of operational experience and low level of technical training of the ground personnel, and also because Bulgaria lacks an adequate supply of spare parts for the new planes.

Moreover, in spite of her offer to supply Bulgaria with no less than 500 planes, Germany up until now has been unable to do so.

Distribution of the Military Air Force

<u>Number of air regiments</u>	<u>Location</u>
1	Bozursische
2	Plodiv
3	Yambol
4	Corne-Orakrovitsa
5	Karlovo
6	Vrazdebro
7	Telish
8	Kazanlik

The basic mass of the Bulgarian Military Air Force is located in Bulgaria. Part of the reconnaissance planes (about 48) have been handed over to the occupation troops and are located in Serbia (24 planes), and also in the region of Skopla (in Macedonia) - 24 planes.

(A memorandum on the network of Bulgarian airbases is attached. See appendix No. 3.)

Bulgarian Naval Strength

The naval force of Bulgaria consists of two main types of ships: the surface fleet, the mine fleet, and the mine fleet.

It is noted that the naval force of Bulgaria is small, and this is due to the fact that the Bulgarian Navy is along the principal line of direct contact with the staff of the Bulgarian fleet, and control in Bulgarian ports and waters.

The number and description of the ships of the Bulgarian Navy are as follows:

a. the list:

Name of Unit	Type of Ship	Over all Tonnage	Base	Notes
<u>Sea Fleet</u>	<u>Torpedo Boats</u>			
	<u>Destroyers</u>	300	Varna	
	3			
	<u>Mine layers</u>	not known	Varna	Of the 6 mine layers, 2 it is believed were given to Bulgaria by Germany and are based at Burgas.
	up to 6			
	<u>Patrol launches</u>	not known	Varna 7	Five of the launches are used as armed tenders - in anti-submarine defense.
	up to 13		Burgas 6	
	<u>Torpedo cutters</u>	up to 300	Varna	Four of them were given to Bulgaria by German in 1942.
	6		Burgas	
	<u>Motor schooners</u>	not known	Burgas	Are used as patrol ships.
	8			
	<u>Auxiliary ships</u>	about 3,000	Burgas	
	up to 5			
<u>Danube Fleet</u>	<u>Outpost ships</u>	not known	Ruse	
	2			

b. present condition:

Destroyers - outdated ships constructed in 1907-1908. Includes two guns of 47 millimeter caliber and probably torpedo tubes of 450 millimeter caliber, crew

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Using the fact that the Danube is a main line of communication on which, during the navigation period, extensive transportation of war materials is carried on, the Bulgarian fleet which guards this line of communication may be greater than indicated in the table.

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Minelayers - Two of the six are re-outfitted transport ships and two, it is supposed, were given to Bulgaria by Germany in 1941. There is no detailed data on their condition or armament.

Torpedo cutters - All these cutters are new, three of them were built by Germany in Bulgaria in 1942, and handed over to the latter.

Outpost launches - It is known that five of thirteen of these launches have iron hulls. Six of the launches have crews of eight men.

It should be assumed that all these launches are of small displacement, re-outfitted from port service.

Outpost ships - re-outfitted river steamboats, and are used on the Danube as patrol ships. The armament consists of one gun of 45 millimeter caliber.

Bulgaria's Merchant Fleet

The number of ships in Bulgaria's merchant fleet is not large. Aside from a small number of transports, Bulgaria has several motor schooners; however, these are seldom seen on the Black Sea, since they ply the Aegean Sea.

The total complement of Bulgaria's trade fleet is as follows:

Number of Ships	Tonnage	Remarks
<u>Transports</u> 3	2,808	
<u>Motor schooners</u> 9	1,685	This information requires checking

There is the following incomplete data regarding the make-up of the river trading fleet:

Number of Ships	Tonnage	Remarks
<u>Steamships</u> 5	642	All ships, shown in this table, have their base at Port Ruse.
<u>Tugboats</u> 4	408	
<u>Port lighters</u> 3	not known	
<u>Sailing barges</u> 3	not known	
<u>Motor barges</u> 1	not known	

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German Ships in Bulgaria

From the very first days of the German occupation, German and Italian ships began to be used in the ports of Varna, Burgas, and Sozopol, in order to transport goods to the U.S.S.R.

Accordingly, during the first few months of the occupation, the following German and Italian ships were used:

Varna - German ships:
2 - 1 submarine; not over 6 landing barges;
over 50 landing barges, but over 5 landing vessels.

Burgas - German ships:
1 - 2 submarines; not over 6 landing barges.

Italian ships:
4 small submarines; not over 5 torpedo launchers.

Sozopol - German ships:
1 submarine; several patrol launches.

Bulgarian Ports

The chief Bulgarian ports and bases are on the Black Sea - Varna, Burgas, Sozopol, Balchik, and on the Danube - Ruse.

Varna - (GB-PB) The main base of the Bulgarian fleet and ship construction base for German light ships on the Black Sea.

At Varna there are: a small ship construction wharf, a floating dock with a lifting capacity of 2,200 tons, railroad shops and storage of fuel, ammunition and food. The harbor is located inside Varna Bay; it is 525 meters wide and 600 meters long, and has 900 meters of quay, of which 700 meters is suitable for large ships and vessels to come alongside. The deepest part of the harbor is up to 7.5 meters deep.

There is anchorage in the port for seven trading vessels of from 300 to 8,000 tons.

Railroad lines have been laid along the quays.

At the docks, there are two cranes - one on a railroad platform, 10-ton capacity, operated manually, and the other a floating steam crane of 35-ton lifting capacity.

Varna Bay is connected by canal with Devno Lake, near which there have been built six locks for the assembly of landing barges.

A part of the shore of the closed area at the port of Varna has been built up four stories. It takes 20 - 25 days to build a new house.

One of the first things that came up to the mind of the German occupiers was to build a roadstead outside the harbor. The roadstead was composed of concrete blocks, and was in view of the harbor.

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Internal
Political
Situation
in Bulgaria

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of the so-called "German Youth Organizations" in the army, "The Union of German Officers" and supported by certain financial circles. These are grouped around the credit bank and the credit bank group. These are the so-called "Fascist Organizations". These organizations have a small number of members and are not known by the people. They are "The People's Social Party", "German Youth", "German Youth and the Soviet Organizations", "German Youth", "German Youth", and also the youth organization "Front", which was founded in 1930 on the pattern of the German fascist youth organization and which is under the leadership of German officers. Even WIKLILOW's group "WARD" (Internal National Organization), a terrorized fascist group, also belongs to these organizations. Of late, reports have been received indicating that a considerable part of this organization, as a result of disagreement with the pro-German course of the Government, broke away and joined the side of the anti-fascist home front.

Although in Bulgaria parties are actually organized, leaders of bourgeois parties come around themselves groups of their adherents, and are a passive anti-government opposition. Finally, the members of the following parties belong to these groups:

THE RECORDS OF THE CITY OF BOSTON

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1. The first part of the document is a list of names and addresses, which are arranged in two columns. The names are written in a cursive script, and the addresses are written in a more formal, printed style. The list includes names such as "John Doe", "Jane Smith", and "Robert Johnson", along with their respective addresses.

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The realization of these hopes of the people, the task of the "Front" is, above all, the creation of a national government, capable of carrying out the salutary policy of the Fatherland Front firmly and consistently. In connection with this, the Fatherland Front puts as the closest aim of its battle the overthrow of the present perfidious, anti-popular, dictatorial government and the real creation of the Bulgarian Government, resting on the will and support of the whole Bulgarian People. This government will prepare also conditions for the convocation of the Great People's Assembly, which will define the future form of rule of Bulgaria and create the necessary constitutional and material guarantees for the preservation of the independence of our Motherland.

...owing to the matter decisively and manfully,
for the popularization of this salutary program for
the people of the country.

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...repressing measures
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23

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Type of Plant

"Herbore"

Powder plant

"Roulette"

powder plant

Arsenal and
powder storage

Powder plant

Powder plant

Kozlenik
Mitsynskan

Sopot

Aparukhov
village (near
Verne)

Aviation Plants and Shops

Caproni firm's
aviation plant

Aviation shops

Aviation shops

Aviation shops

Aviation shops

Aviation shops

Kozlenik Assembly (10 planes per year),
pair (20-30 planes per year)Bozhurichan
village Airplane repair

Lovech Airplane repair and assembly

Yambol Airplane repair

Plovdiv Airplane repair

Sofia Airplane repair

Automobile Repair Shops

Automobile repair
shops

Ferdinand Automobile and tank repair

Automobile repair
shops

Sopot Automobile and tank repair

Miscellaneous Plants

Radio and
engineering
factory

Sofia Radio equipment and engineering goods

"Vulco"
factory

Various manufactured metal items

"Veris"
factory

Various manufactured metal items

Ship
dock

Small vessels and boats

Ship
dock

Small launches

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Appendix No. 1

COMPOSITION AND LOCATION OF BATTALIONS
AND COMPANIES OF THE BULGARIAN ARMY

Grouping	Composition	Location	Name of Commanding Officer
1st Army	1, 2, 11 Inf. Div.	Sofia	General Jekov
2nd Army	3, 4, 12 Inf. Div.	Plodiv	General Markov
3rd Army	5, 6, 13 Inf. Div.	Isir	General Stolyanov
4th Army	7, 8, 14 Inf. Div.	Plazov	General Stefanov
5th Army	9, 10, 15 Inf. Div.	Skopje	General Bozhov
Occupation corps in Yugoslavia	11, 23, 24, 25, and 26 Inf. Div.	Nish	General Nikolov
Occupation corps in Greece	12, 14, 15 Inf. Div.	Katani	Not established
1st Inf. Div.	1, 6, 41 Inf. Reg., 4 Arty. Reg.	Sofia	General Stolanov
2nd Inf. Div.	2, 21, 27 Inf. Reg., 3 Arty. Reg.	Plodiv	General Pobozailev
3rd Inf. Div.	11, 24, 29 Inf. Reg., 6 Arty. Reg.	Burgas	Colonel Mladenov
4th Inf. Div.	7, 8, 19 Inf. Reg., 5 Arty. Reg.	Shumen	Colonel Kovachev
5th Inf. Div.	8, 13, 33 Inf. Reg., 1 Arty. Reg.	Elkhovo	Colonel Serafimov
6th Inf. Div.	3, 15, 35 Inf. Reg., 2 Arty. Reg.	Vratsa	General Bozhov
7th Inf. Div.	13, 22, 26 Inf. Reg., 7 Arty. Reg.	Saloniki	General Bogdanov
8th Inf. Div.	12, 23, 30 Inf. Reg., 5 Arty. Reg.	Stara-Zagora	Colonel Deskalov
9th Inf. Div.	4, 34, 36 Inf. Reg., 9 Arty. Reg.	Pleven	Colonel Yanchev
10th Inf. Div.	10, 44, 47 Inf. Reg., 10 Arty. Reg.	Kirdzhali	Colonel Gregoriev
11th Inf. Div.	16, 25, 42 Inf. Reg., 11 Arty. Reg.	Dede-Agach	Colonel Tsonov
12th Inf. Div.	31, 39, 45 Inf. Reg., 12 Arty. Reg.	Dobrich	Colonel Karov
13th Inf. Div.	40 Inf. Reg.	Kavalla	Not established
14th Inf. Div.	51, 52, 53 Inf. Reg., 14 Arty. Reg.	Skopje	General Penev
15th Inf. Div.	54, 55, 56 Inf. Reg., 15 Arty. Reg.	Bitol	Colonel Marinov
16th Inf. Div.	57, 58, 59 Inf. Reg., 16 Arty. Reg.	Ksanti	Colonel Trifanov
17th Inf. Div.	60, 61, 62 Inf. Reg., 17 Arty. Reg.	Saloniki	Colonel Dimov
21st Inf. Div.	73 Inf. Reg.	Zaghar	Colonel Baltakov
22nd Inf. Div.	74 Inf. Reg.	Nish	Not established
24th Inf. Div.	75 Inf. Reg.	Isir	Colonel Grozdev
25th Inf. Div.	76 Inf. Reg.	Skopje	Colonel Radev
27th Inf. Div.	77 Inf. Reg.	Plazov	Colonel Stolyanov
1 Tank Div.			Not established
2 Cavalry Div.			Not established

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LIST OF AIRFIELDS IN BULGARIA

Airfield	Coordinates	Dimensions in Meters	Location	Description
Aitos	42 40 27 11	2000 x 1500	airfield located approximately 9 kilometers southwest of Aitos; 2 kilometers northeast of Karnobat.	
Asen	- -	-	airfield located between Kasanlik and Karlevo.	there are storehouses and several buildings (a school airfield)
Asenovgrad	42 01 24 56	-	20 kms. southeast of Plodiv; northeast of the outskirts of Asenovgrad.	there are some facilities
Balkanovska Pania	42 22 23 23	-	west-northwest of Samokov.	auxiliary airfield
Borovitsa	41 39 23 14	-		
Botevgrad	42 37 25 04	-		
Botevgrad	42 54	800 x 750	50 kms. from Sofia; about 7 km. west-northwest of Botevgrad.	
Bresnik	42 45 22 55	800 x 750	35 kms. northwest of Sofia.	auxiliary airfield

Coordinates	Dimensions in Meters	Location	Description
22 24	800 x 750	50 kms. south of Sofia; east of the Sofia - Plovdiv railway.	landfill
24 25		approximately 1/2 kms. south of Yamoli; east of the Tundzha	storehouse and several buildings fueling field
24 26		south of the Yambol - Plovdiv railroad.	
24 27		near the railroad station of Yambol.	
24 28		near the railroad station of Plovdiv.	
24 29	800 x 800	east of the Sofia - Plovdiv	
24 30	1,000 x 750	3 kms. north of Sofia 7 kms. northeast of Sofia	USAF has turned it into a first-class airbase

Designation	Dimensions in Meters	Location	Description
1. Plovdiv	26 x 26	15 kms. north of Plovdiv, on the southeastern outskirts of that point.	There are the following structures: 4 hangars, an aviation headquarters, an ammunition dump, and two concrete runways.
2. Plovdiv	26 x 26	35 kms. south of Plovdiv.	auxiliary airplane
3. Plovdiv	26 x 26	50 kms. south of Sofia.	auxiliary airplane
4. Plovdiv	26 x 26	32 kms. northeast of Plovdiv.	landing field
5. Plovdiv	26 x 26	24 kms. south-southeast of Kapania, south of the Karda River.	landing field
6. Plovdiv	26 x 26	15 kms. southeast of Kariovo; in the region of Plovdiv, north of the Kariovo - Plovdiv railway.	landing field
7. Plovdiv	26 x 26	15 kms. north of Jankovo; on the southeastern outskirts of Kalkovo.	landing field
8. Plovdiv	26 x 26	2000 x 1500 30 kms. southeast of Sofia.	landing field



Location	Coordinates	Dimensions in meters	Location	Description
	42 53 26 27	200 x 1500	1-2 kms. northwest of Kazanlik, No. 375 n.	at the airdrome there are 4 hangars, shops, gasoline storage cisterns, and an airplane manufac- turing plant; anti-aircraft artill- ery is located around the air- drome;
	42 53 26 27		2 kms. northwest of Kazanlik.	landing field
	42 53 26 27		Khananlik is located at a point 15 kms. east of Kharkovo; south- west of the Plovdiv - Aldarne railroad and the Maritsa river	landing field
	42 53 26 27		west of the Kharkovo - Kirdzhali railroad in the vicinity of Kharkovo	there are 4 shops, etc.
	42 53 26 27		airdrome located at the southeast outskirts of Kirdzhali; Kirdzhali being the terminal station on the Sarno - Novgrad - Kirdzhali rail- road.	personnel
Characters	42 22 23 01		South-southeast of Radomir; in southwestern Bulgaria.	landing field
Hotel	42 53 26 27		25 kms. northeast of Sliven; in the Kotel vicinity.	landing field

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Airbase	Coordinates	Dimensions in Meters	Location	Description
Krustendil	42 16 24 42	800 x 750	Krustendil is situated on the railroad leading from Sofia in a southwesterly direction to the Yugoslav border; 8 kms. west of the Struma river.	landing field
"	43 22 25 08	-	40 kms. east-southeast of Plevna, between the Plevna-Levski and the Svishtov - Levski railroads.	auxiliary airbase. It has several facilities.
"	43 09 23 11	-	northern border of Bulgaria; south of the river Danube.	landing field
"	43 09 24 42	1933 dimensions of air-drome	2 kms. north-northwest of Plovdiv.	airbase
"	43 09 24 07	800 x 450	45 kms. southwest of Plevna, near the Plevna - Botevgrad highway, on the southwestern outskirts of Lukovit.	"
Perpich	41 25 23 20	"	east of the Struma river; 7 kms east of Petrich.	"
Momchilgrad	41 32 25 23	800 x 750	48 kms. south of Khaskovo; south of the Khaskovo - Momchilgrad railroad.	auxiliary airbase

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	Coordinates	Dimensions in Meters	Location	Description
	41 34 23 47	800 x 700	Southwestern Bulgaria, southwest of the Mesta river; 105 kms. south- west of Plovdiv.	auxiliary airdrome
	42 20 26 31		at the northeast edge of the Nova- Zagora locality.	
	42 34 26 31	800 x 700		landing field
	42 34 26 31	800 x 750	24 kms. east-northeast of Sofia; at the western outskirts of Novo- seltsi.	
	43 22 25 47		60 kms. northwest of Pleven; south- east of Orekhovo.	
	43 26 25 42	800 x 800	17 kms. south-southwest of Kazanlik; south of the Kazanlik - Karlovo high- way.	
	43 25 25 16		assumed to be west of Pavlikent; north-northwest of the Rositsa river.	
	43 25 25 13		70 kms. south of Dzhumaya; on the southern outskirts of Petrich.	
Pleven	43 23 24 37	2000 x 1500	north of Pleven.	airdrome is well equipped; has all airdrome equipment; was the chief base for German heavy bombers in 1941.

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Airport	Coordinates	Dimensions in Meters	Location	Description
Stara Zagora	42 47 25 28		4 kms east of Sofia N- 540 m.	Has 3 hangars, radio and meteorological stations and other structures.
Stara Zagora	42 25 25 37	2000 x 1500	10 kms. south of the point Stara-Zagora.	Has hangars, shops, radio and meteorological stations.
Stara Zagora	42 46 25 12	800 x 750	on the eastern bank of the Karitsa river.	landing field
Svishtov	42 38 25 21		Svishtov is the terminal railroad station on the Lovech - Svishtov railroad line; south of the Danube River.	landing field
Pazardzhik	42 12 24 27		Pazardzhik is situated west of Plovdiv.	landing field
Talish	43 20 24 15	800 x 800	Talish is 30 kms. southwest of Plevan; in the vicinity of Talish.	there are some small structures.
Topolite	43 15 27 45		Topolite is north-northwest of Varna.	there is a small airport.
Tsarevo	42 09 27 50		Tsarevo is southwest of Burgaz, on the shore of the Black Sea.	landing field
Tirgovishe	43 16 26 34	800 x 750	110 kms. west of Varna; west of Tirgovishe.	has some equipment; is a transit airdrome for planes flying east.

Airports	Coordinates	Dimensions in Meters	Location	Description
	43 12 27 54		2 kms. south of Varna.	on the shore of Lake Devnensk; has a hangar and other buildings.
	43 13 27 46	2000 x 1500	6-7 kms. southwest of Varna, on the southern shore of Lake Devnensk.	there are buildings, hangars, shops, a meteorological station, and other structures (there is a concrete runway)
	43 59 22 52		at the northern outskirts of the point; on the bank of the Danube River.	landing field
	43 12 29 23	800 x 750	60 kms. north of Sofia	landing field
	44 04 29 41	2000 x 1500	north of the upper reaches of the Vesta river, in the vicinity of Yakurda.	
	42 29 26 31	800 x 750	3 kms. northeast of Yambol. N=133 m.	the airbase has a concrete runway, a hangar, a canteen, storage tanks, and other buildings (a school field)
	42 02 25 51		west of Maritsa river, 27 kms. northwest of Khaskovo.	landing field

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

INTEROFFICE MEMORANDUM

To: Strategic Services Officer, DSS, MC

Date: 10 November 1945

From: Director, DSS

Subject:

The following information is for Lt. Colonel Tolmie and Lt. Commander McBaine only, and is not for distribution. This information has been made available to Mr. MacFarland and shall not be distributed to Istanbul.

An informed source, commenting on conditions in Bulgaria in the month of October, states that there is a growing feeling that a major decision in foreign policy may be forced any day by the course of the war on the eastern front.

As a result of German defeats, and the overwhelming conviction that they will continue, loyalty to Nazi ideas in Bulgaria has completely vanished. Filov himself, who still is influential in controlling Bulgarian foreign policy, significantly mirrors this trend. On the other hand, the hopelessness of resisting the Allies without German support is equally apparent, and this has turned Bulgarian thinking in two directions: they can either seek an understanding with the Americans and British, or they can appeal to Russia for help. At present, opinion is increasing in support of the second alternative.

The dominant concern of all Bulgarians today is to preserve their



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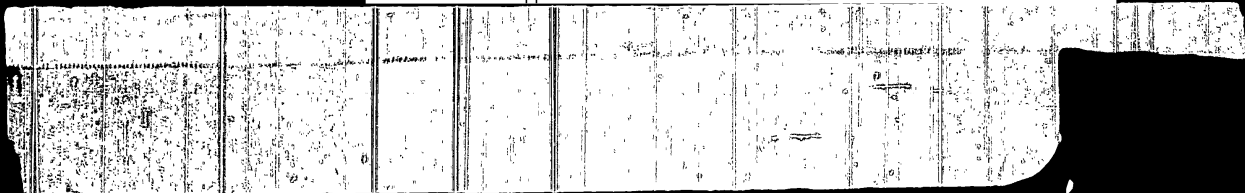
own country. They have a lively fear of aggression on the part of the Serbs and Greeks - of bombing and eventual invasion. Many feel that an alliance with Russia would tend to avert this. But even greater is Bulgaria's fear of German occupation. So far, German forces in the country, consisting of one division, have not been increased but it is believed the German army would take over completely if Bulgaria showed signs of following Italy's example. This conviction serves to check any official efforts to get in touch with Allied representatives. Bulgarian leaders are certain that there would be severe reprisals if Germany discovered attempts at negotiation.

Unofficially and covertly, however, curiosity has been evinced as to what treatment Bulgaria might expect from Britain and the U.S. if she should withdraw from the war. Bulgaria, it is pointed out, has not waged war against these two countries. She has not occupied territory evacuated by the Italians. Further, of all the Balkan countries, Bulgaria alone has not been torn by internal dissension. This stability rests largely on the maintenance of the Bulgarian Army, which to date has proved loyal and well-disciplined. If for no other reason than self-preservation, it is important to Bulgaria that this army remain intact, as a means of preserving order. And this maintenance of order is of fundamental interest to Anglo-Americans who would have nothing to gain and much to lose by the disintegration of the Balkan area, following the collapse of Germany. All this could not be discussed officially, however, unless there were assurances of absolute security.

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WJD.
William J. Donovan

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From Murray S. L. L.

1. The Government of the United States of America
 2. hereby certifies that the above is a true and
 3. correct copy of the original as the same appears
 4. in the records of the Department of the Interior.
 5. In testimony whereof, the Secretary of the Interior
 6. has hereunto set his hand and the seal of the
 7. Department at Washington, D. C., this _____ day
 8. of _____, 19____.

THE

[illegible]

EXPOSE DONNE AU "STATE DEPARTMENT"

Cont copie a été remise à :

M. Dulles et M. Gurfaing

Dear Sir:

Following the conversation which I had the pleasure of having with you in the presence of Mr. Churchill, at the time of our recent meeting, and in compliance with your wish, I take the liberty of putting in writing the subject of our conversation.

However, before entering upon the question itself, which I exposed to you verbally, I must inform you of the conversations which I had on several occasions with officials of the French Government and with a Member of the British Commission who had made a trip to the Balkans for the purpose of studying the situation, sometime in 1937 or in 1938, and to discuss a matter which closely resembles the problem which we now have.

The member of the British Commission whose president was Mr. Frederick Leith Ross, came to my office in Sofia to inquire if, in my judgment, it would be possible to win over the public opinion of Bulgaria, Yugoslavia, Roumania, Greece and Turkey, in favor of England and France.

This question was a very delicate one, not only as regards economics, but also as regards politics, and furthermore, I was not acquainted with the real purpose of their visit.

After several interviews with this Member of the British Commission, I decided to write the text of our various conversations and I thought it well to remit a copy of this "expose" to Mr. Daladier, President of the Council of Ministers at Paris, and upon his request, to his Secretary General, Mr.

Chateignault, and to Mr. Paul Boyanov, then Minister of Finance, through his Section Chief of Economics, Mr. Veltchev.

This "expose" was also sent to the then English Minister of Commerce, and it was very warmly received by the President of the British Commission, through the latter of the said Commission with whom I had close exchanges of views. The "expose" was made in 1937.

The member of the British Commission was interested mainly in finding the means to win the favor of the Bulgarian population for the Allies, not only with a view to political achievement, but also with a view to an understanding in the field of economics.

My general answer to the questions of the member of the British Commission which are enumerated below, began in the form of an introduction which was about as follows:

No Bulgarian Government would accept monetary loans and the British and French Governments should do everything possible to prevent Germany from buying all the agricultural products which Bulgaria had to offer, since Bulgaria is an agricultural country, and the product of such sales should serve mainly to purchase from France and from England the materials required for war and industry.

To try and win over the population and the Government by means of monetary advances, was a loss of time and absolutely unfeasible. At that time the German propaganda was on the spot to show the people that without Germany, they could not sell their products elsewhere, and that a great crisis might result if

Germany did not buy since France and England refused to buy Bulgarian products. Even if the Government were to accept a monetary loan without any obligation on the part of England or France to buy the Bulgarian products, the Bulgarian people would raise against this Government and against the King since they were going to be the victims of a very acute economic crisis, should Germany refuse to buy; therefore, the discontent threatened to be very great and grave difficulties faced the Government and the King. Therefore, in order to satisfy the peoples of Bulgaria and the Balkans, it was imperative that France and England act the same way as Germany.

Here are the questions which the member of the British Commission asked me and my answers.

1.- Is it true that Germany buys all the agricultural products of Bulgaria, and in the affirmative, how are these products paid for?

2.- Do you believe that the German Government itself buys all these agricultural products from Bulgaria and sells to Bulgaria all these industrial products, and how is it done?

How is it possible that Germany is able to pay for the Bulgarian agricultural products higher prices than the world market prices and to sell its industrial products at lower prices than the world market prices?

I shall answer at the same time the two first questions since they are connected with each other and I will say, that yes, Germany buys almost all of the agricultural products of Bulgaria and some of its industrial products at much higher prices than those of the world market. The payment for these products used

to be made through some kind of a "clearing" which used to have the place of the "ad hoc" system and the accounting was done by the Banque Nationale de Bulgarie and the Reichsbank. The German Government did not buy direct, it used to sign beforehand a commercial agreement between Bulgaria and Germany. The Reichsbank used to constitute mixed commercial and industrial syndicates between the German Government and private merchants and industrialists. After these official commercial agreements had been concluded between Bulgaria and Germany, these syndicates would sell the German products and buy the Bulgarian products, but the German Government itself did not do the actual buying. As you well know, I said to my listeners: In Germany there are three kinds of currency: the official currency, the currency at premium which is divided into two categories, namely, 40% and 60% of the official rate.

I maintained that Germany was buying the Bulgarian products not only for its own requirements, but also for the purpose of re-selling them to other countries. Germany was not selling only German-made products; it also used to sell industrial products made in France, in Belgium and other countries. The German Syndicates used to pay to the Balkans higher prices for the products they bought than the prices of the world market, as for example, cereals, and used to sell to Bulgaria the German products at lower prices than the world market prices. The difference representing a loss was covered by the difference between the rate of the official Marks and the Marks at premium which was, as mentioned above, 40% and 60%.

Besides selling its own products, Germany used to sell products from France and Belgium, such as raw cotton and cotton

yearn, etc., which it would sell to the Bulgarians at a price lower than those asked by France and Belgium. There exists the difference between the three different rates of exchange existing at the time in Germany came into play.

In creating this kind of situation Germany had intended to avoid that Bulgaria and the other Balkan states should see the feeling that they were under the rule of Germany, and to show them that it was a regular commercial exchange.

3.- Could it be possible to win over, first the political men of Bulgaria and secondly the public opinion of the population, especially the agricultural population, in favor of England, if England were to offer to Bulgaria for the important materials which would serve for the eventual purchase of British materials, such as railroad materials, war material, and others, by Bulgaria?

The answer to this question will be found in the introduction which I have given at the beginning as a general reply to all the questions which the member of the British Commission put up to me.

4.- Am I convinced that Bulgaria and Germany have already concluded a long term military and commercial agreement? In a word, this Member of the British Commission asked me: "What is your opinion and how could the political men of Bulgaria as well as the majority of the population be won over?" He called my attention to the fact that in any case England could not buy the production of the Bulgarian soil since England and France already have all that Bulgaria is able to produce and since also the Bulgarian tobacco is not used in England or in France.

All the commercial agreements were made only for

one year. As far as any military agreement is concerned, my impressions led me to believe that a verbal agreement had been made between the King of Bulgaria and Germany existed in 1917 and that the President of the Council of Ministers, at the time, was of the opinion that a military and political alliance with Germany was necessary. In effect, when the question came up officially, this attitude resigned.

In order to win over the opinion of the population and its political men, as I said in my interview, this "expose", it was essential first of all to revert to buying all the Bulgarian products and selling to Bulgaria its own or others.

You inform me, I said, that England, having all these products itself is not in a position to purchase them from Bulgaria, and I am very astonished at that statement. If the purpose of your visit to the Balkans is to study the economic and financial situation of these countries and study the possibility of winning over the public opinion by doing what you have in mind, namely, offering loans, then I must tell you that the results will be nil.

If, on the other hand, you have come to find out if Germany is preparing a war against your country, the answer which you gave me that England having all the products which the Balkans have to offer is not able to buy them, cannot be taken into consideration for the following reasons:

Does England need the soldiers of the Balkan countries, that is to say, does it need the soldiers from Yugoslavia, from Roumania, Greece and Turkey, or is the assistance of these soldiers not necessary to England?

I answered this question by saying that we must have all these soldiers on the side, and it is only by doing along that England will win the war, but I said that we must have of these people to buy their products. Your committee must not need these products cannot be taken into account. If a war should break out, the first thing that would happen would be the purchase of the Balkan products, even though it is necessary to take place and be considered as a war expense, for the war.

a) To prevent the Germans from buying them.

b) In order to obtain the public opinion of the Bulgarians. England must buy them, even if it costs a lot to throw these products in the sea. You must consider this expense in the cost of the war without hope of recovering these products. Otherwise, I told the member of the British Commission, Germany will be the stronger.

I went further; I told him that if France and England were to compete to prevent Germany from buying the Balkan products and if they were to furnish these countries with the materials required for an eventual war, France and England would be in a much stronger position than Germany was at the time.

I reminded the member of the British Commission of the mistake that France, England and Russia made in 1914; one must not wait until the war has been declared to decide to buy all the products of each Balkan country and thus to prevent Germany from buying them, because experience has shown us that England, France and Russia bought all the harvests of the Balkan countries which were not their Allies yet, but these goods remained intact and the Germans got them for nothing. Therefore, my advice is that, in order to win over the public opinion of the Bulgarian population and the political men of

the Balkans, these products must be supplied from the Balkans. The latter must be sold the materials they need for themselves for war; if this is true, the Balkan countries may be strong enough to resist their neighboring Governments from aligning against their will with Germany.

The fact of the matter is that a few days after I wrote this "expose", I received an invitation from the French Banks which ^{were} ~~was~~ desirous of obtaining the realization of a loan to be made to Bulgaria between 400,000,000 and 500,000,000 francs which should be used by Bulgaria for the purchase from France of railroad materials, war and airplane materials. This invitation on the part of French Banks was certainly an instigation of the French Government.

I told the French Banks that such an operation would be difficult to accomplish since Bulgaria was not in search of funds, but only wished that in compensation for the materials which were to be received by Bulgaria, on the basis of such a loan, France would buy Bulgarian products; however, I put my services at the disposal of these French Banks and the French Government for the purpose of concluding the operation in question.

The basis of the conclusion of this loan was supposedly for the purpose of drawing the public opinion of the Bulgarian people towards France; at that time there was no commercial agreement between France and Bulgaria. Consequently, before taking any steps towards the conclusion of the financial and industrial operation, a commercial agreement had to be concluded.

I came back to Bulgaria immediately and communicated

with the Bulgarian Government, respectively the President of the Ministers, the Minister of Finance, Dr. Bourdoff, and afterwards had a personal conversation with the King. The latter told me that he was very satisfied with my conversation and that I would be rendering a very great service to Bulgaria if I could bring about the conclusion of a commercial agreement between France and Bulgaria. He gave me the following address: M. Bourdoff, Minister of Finance, Sofia.

Government gave to its content:

- a) For the conclusion of a commercial agreement between France and Bulgaria;
- b) For the conclusion of a loan which would permit France to extend its activity in Bulgaria.

In reality, however, later, a French delegation was sent over under the presidency of Mr. Lavey, Alphonse, and the discussions lasted two days only. The agreement was then voted on and signed by the Parliament.

I have the pleasure of informing you that I was successful in having the Commercial Franco-Bulgarian Agreement and the loan adopted unanimously by the Parliament. It was the first time since the independence of Bulgaria that such an agreement and such a loan were adopted unanimously by the Parliament. I will mention later on the reasons why the delivery of the materials purchased under this agreement by Bulgaria was not made by France.

I also gave the following advice to the Economic English Delegation and the Economic French Delegation who had come to Sofia under the presidency of Mr. Alphonse:

I told them that it would be very easy to make French-

English propaganda through the means of commerce especially stated that time France was buying quantities of raw materials from Germany and it then owed Germany for its commercial purchases about 4,250,000,000 francs, if I remember well. I took these figures from the French statistics, and if I recall, Britain was also at the time debtor towards Germany.

Consequently, I said to them there should be an agreement between France, England and Germany - that instead of paying their debt to Germany, France and England should go directly to the Balkans and buy from them the raw materials which Germany used to buy, even at higher prices than Germany used to pay. In that way France and England would pay Germany for their debts by the counter-value in goods from the Balkans. Thus, the population of the Balkans could be convinced that Germany was not the only one that was buying from them; that France and England were also buying and at better prices; I said that this was the way to win the favor of these countries and this was the way also to make easier the task of the King and the Government of each country, of changing the policy they had maintained until then with Germany, in favor of France and England.

Coming back to the parenthesis on page 9, namely - "I will mention later on the reasons why the delivery of the materials purchased under this agreement by Bulgaria was not made by France" --- I must explain that Germany, furious that the Bulgarians should have concluded a commercial agreement and a loan with France, threatened Bulgaria saying that Germany would not buy anything more from Bulgaria if the agreement just concluded with France should materialize. The Bulgarian Government resisted strongly, but Germany was successful just the same in obtaining a promise from the Bulgarian Government

that all purchases of industrial articles from France would be made through the auction system and that Bulgaria would be obliged to accept the best offer, that is, if France were to offer some railroad materials, under the agreement just concluded, Germany would have the right of making a bid also and if the price asked by Germany were lower than the price asked by France, Bulgaria would have to take the order to Germany under the same terms of payment as those granted to France by France for the loan that the latter had made to Bulgaria.

For an example - France offered railroad materials, about 2000 carloads, at a price 35 to 50% higher than the price offered by Germany. I objected to the Bulgarian Government that the conditions of the loan did not mention that the purchases should be made through the auction system (bidding system) and that the German offer could not be taken into consideration. Bulgaria, pressed and threatened by Germany, was unable to execute the conditions of the French contract. Everyone used to ask: "How is it possible that Germany can construct cars much cheaper than France?" My answer was always that the difference between the French prices and the German prices, Germany covered by buying raw goods in Bulgaria and selling these same raw materials to South America, France or other countries and thus obtained staple money for which the Reichsbank paid in Marks of second or third rank.

To my great surprise, I heard then that the French producers of railroad materials had concluded an agreement with the German producers of railroad materials to give full liberty to Germany to offer its materials to Bulgaria in reserving for the French Industrialists a profit, and the French industrialists accepted this offer. You understand that in these conditions, Germany was only gaining in the Bulgarian public opinion, in buying Bulgarian products at a higher price

than the world market and in fact, the prices were much higher than the prices paid by Germany for the same goods.

When the Bulgarian manufacturers used raw cotton from South America or cotton yarn from France or Belgium, the prices were much higher than the prices paid by Germany for the same goods. The greatest astonishment always resulted from the fact that Germany used to sell to the Balkans raw cotton from South America or cotton yarn from France or Belgium at prices 20% cheaper than such cotton, France or Belgium would have sold. The orders placed with Germany by the Bulgarian merchants were delivered directly by a branch of Belgian manufacturers, but the payments were made in German Marks, on the basis of the German debts, in Marks, to all sold in the Balkans, in counter-value of the raw goods bought in these countries.

In consequence, you see, dear Sir, how Germany for the purpose of winning over the public opinion of the Balkans used to monopolize the commerce and the economic life of the Balkans.

It is true that sometimes Germany would buy cereals from the Balkans against dollars, Swiss francs, French francs, or Polish Crowns, but on condition that 20% be paid in Marks, and 80% in the money of the above mentioned countries. Germany selling these same products, cereals, against staple currency, would obtain for these 80% paid in Marks some staple currencies and thus Germany would accumulate foreign currencies every day.

In April 1939, when the political relations between France, England and Germany were becoming more and more critical, and I was sojourning at Evian-les-Bains, I was greatly surprised to receive an invitation from Mr. Paul Reynaud, then Minister of Finance, to come immediately to Paris to confer with him. My conversation with him was

based on the "expansion" which he had received from the Balkans. He was still maintaining his point of view that it was necessary for France to buy agricultural products from the Balkans through a parliamentary democratic council, and that it was necessary to give credit to take these purchases and to go to a committee of the Parliament and to the Senate, everybody would know the result. I took the liberty of mentioning to the Minister of Finance that it would not be necessary to tell the Parliament the purpose for which this parliamentary credit would serve, but it could be used to study the means of creating a mixed company between the French manufacturers and the French Government, the capital of this company being furnished by the Government only and the purchases and the sales would be made privately and not through the Government officially. Thus Germany would not be in a position to check the French operations. In such a way also, France would win over some very good soldiers like those of Greece, Yugoslavia, Roumania, Turkey and eventually Bulgaria. His answer was negative, he said that France could defend itself alone.

It is hard to imagine my impression on the subject. It was plain to see that France did not know what Germany was doing to prepare its war.

In December 1933, I was invited by the Chief of the Commercial Exchanges of France who asked me my opinion on whether it would be still possible to buy something from the Balkans. He thought the French Government had decided to do so, but he added that it would be difficult to deliver anything to the Balkans as far as industrial products were concerned since France itself needed these products.

I told him that it was too late, the Balkans would do nothing then, except a little tobacco. At that time England asked credit through the Parliament for the constitution of a large mixed company between the British Government, the English banks and the large firms of commerce, the capital of which would belong partly to the Government, for the purchase of Balkan products, the management of which company would be given competent private persons, completely outside the Government. The British Government would exercise full control over this Company. There again, it was already too late, the war was in full swing. Transportation had become impossible. If I had been in their place, I would have bought these products but the same, I would have sent them to Turkey and tried to bring them to England or to other countries, if impossible to bring them to England, or if this could not have been done, I would have thrown them in the sea. At least, in that way Germany would not have had them.

After having explained to you all that I did from 1937 to March 1940, when I left Europe, and that France and England had not wished at that time to do all in their power to prevent Germany from occupying the Balkans as far as commerce was concerned, I told you that if France and England had followed my advice, their political situation would not have been what it is today, and that is to say, France and England would have been prepared for war, not only in the military point of view, but also in a political point of view. They would have been bound to the Balkans since these countries were not in the same situation as were Czechoslovakia, Austria and Poland, towards Germany, regarding any 'revendications' of territory.

Should the opinion of the Balkan populations have been won in favor of France and England, the situation of Germany would have

It would be partially possible to make a case for the Balkans against American goods, but for the purpose of illustrating goods to the Balkans, but to deliver goods to the Balkans, they might need. I mean by that, the "Balkan" industrial products against machinery, chemicals, and other goods. There are similar products in Switzerland and Sweden which we could buy to deliver to the Balkans, or even if there were not any of these products to be found in the above two countries, the Swiss company to be founded by the American company would be able to buy these products from Germany and deliver them to the Balkans against the agricultural products or others bought from them.

Turkey first, Switzerland second, and Portugal third would be the suitable countries to effect such transactions for America and eventually for England - and that, via private channels.

Argentina and Chile would also be countries with which America could deal privately and thus could help to materialize the proposal which I shall make below, since the Balkans and Germany would give their consent to the shipping of goods through the medium of these two South American countries and the goods would then be shipped to North America. Therefore, the payment should be made in the currency of a neutral country or countries in which the Balkans would have faith enough to entrust their funds. Consequently, first of all, America must conclude a monetary agreement with the neutral countries such as Turkey, Switzerland, Portugal, Spain and Sweden, that is to say, that it must allow Switzerland, Turkey, Sweden and the other neutral countries to have free accounts in America against value that America would have in these respective countries, through the conversion of dollars into the currency of any of these countries.

CONFIDENTIAL AND SENSITIVE

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In my "exposed", I called for the creation of a company which operations could not be traced by any government. Ideally, as Germany might, in that case, create very similar ones for the respective Governments of the countries in the latter Europe. The goods from which these goods might be obtained. These operations must be centralized in a company which the Government must constitute as a private company with fictitious participation of large industrial and commercial American firms. In the management, there must not be any member of the Government in evidence. This company must look like a private company but must be under the absolute control of the Government. The functioning of this company must be entrusted to managers, preferably Americans, well versed in that field. They are to follow the instructions of the Government in all regards.

The main office of the company must be in America. There must be branches in Turkey, Switzerland, Spain, Portugal and Sweden, and eventually in Argentina and Chile, with American capital, which will be submitted to the laws of the respective countries.

It must be essential to choose in each country good firms of the first order whose sympathies are in favor of the Allies (there are many to be found) which would execute the orders given by the Main Office in New York. This company must not in any case take into consideration the international prices of the products which it must buy. It must have only one aim, the aim of taking away from Germany the possibility of buying in all these countries. This is the only way to bring about starvation in Germany.

May I remind you here that in his last speech, Goering

said that Europe might die from hunger, but Germany, never. It seems to me that these words are good for thought and it is for this reason precisely that a very great economic strategy must be considered so that Germany may not have enough to feed itself.

Switzerland, Spain, Portugal, Turkey and Sweden have commercial agreements with all the Balkans, even with uncoupled goods. Therefore, it would be easy for the company which I mentioned above and the details of which I will give you below, to have the raw goods needed bought from the Balkans through these countries - it might be hard to do, but it would not be impossible. It will depend on the quality of the men attached to the service of this company, not only at the Main Office, but also in all the neutral countries.

Here is how I would understand the constitution of this company by the American Government:

1.- "Legally, the company must have a capital sufficient to meet the task mentioned at the beginning of this "expose". If I remember well, England had formed its company with a capital of a few hundred million pounds sterling. Evidently this capital frightened the Germans as they began immediately to buy everything, without exception, which the Balkans had to offer, in order to prevent the British from buying anything at all.

This is why I would do the following:

Create the company with a capital between \$5,000,000. and \$10,000,000. and besides the capital, the American Government should grant to this company, which will be fictitiously a private company, unlimited credits to enable it to buy all the products that the Balkans and the neutrals may have to offer. I wonder if the American Government could do this without passing through the Congress or could the

management of this company as given to the Government, which already possessed sufficient credits for all kinds of strategic.

As you well know, during the war, there are the military strategy, the political strategy, and the economic strategy, and for these strategies the Government had already sufficient funds at its disposal. Not being a military man, it is hard for me to express an opinion regarding the military strategy. In the political point of view, being a foreigner in this country, I cannot yet well know the intentions of the Government (American). As far as the economic strategy is concerned, especially in time of war, it is of great importance for America, which is situated very far from the countries occupied by Germany, and from the neutral countries. The military strategy is also important for the purpose of demoralizing the population and accomplishing the destruction of vital points. It is also very important for the countries away from the actual battle fields, ^{which cannot be reached} except by airplane. The political and diplomatic strategy may be of great help to the economic strategy for the purpose of intervening with the governments of the neutral countries to facilitate the economic and commercial operations.

Therefore, before beginning the military strategy, that is to say, before exercising sabotage, it is necessary, as I mentioned above, to start with the economic strategy to prevent the enemy from obtaining strength from within each country. Dr. Schacht and especially my former friend, Mr. Claudius, the well known German economist, who was my friend until 1938 when he became convinced of my competition in winning over the favor of the Balkans for France and England against Germany, as I explained on page 9, had only one thing in mind, to facilitate their military strategy, to win over the public opinion

of each country through the economic method which is proposed.

2.- Should the American Government consent to create this company and were to put at its disposal the necessary means, this company should constitute other local companies in each neutral country, namely: Sweden, Switzerland, Spain, Turkey, Portugal, Argentina and Chile, which would be submitted to the laws of each respective country in participation with first class manufacturers and merchants. These companies would have the power to buy all the products of these countries at prices high enough to make it impossible for Germany to sell.

3.- In no case should the purpose of the mother company be to do regular commerce, that is to say, to buy goods and sell them at a profit. Even if there were losses, these losses should be considered as war expenses.

4.- As far as the transportation of these goods is concerned, this operation will depend solely upon the local managers and it should not be done in the normal way, but in the military way, that is to say, even if a steamship company should agree to transport these goods to America, the payment of the cost of this transportation should be guaranteed to the steamship company. The main idea of these operations, as I said above, must be to prevent the Germans from securing the raw goods, food, etc. which they need so badly.

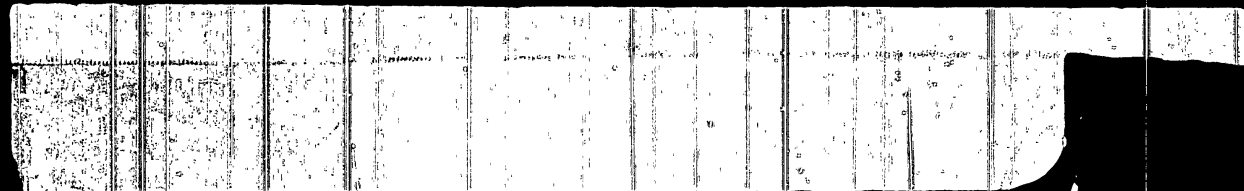
In speaking of the Balkans, I must not forget that the neutral countries also play a large role, that is to say, the neutral countries which deliver to Germany quantities of raw goods; there also will come in to play the obligation of delivering to these neutral countries such as Switzerland, Portugal, Spain, Sweden, etc., American goods usable only for their vital requirements, in order to facilitate to them the purchase from Germany of industrial products to deliver to the Balkans.

That is what must be done, in my opinion, to prevent Germany from obtaining the goods which it needs at present from these countries.

Then, the main thing left to be done will be to find competent men, especially Americans, knowing well the European situation, and also competent men in each country.

Before ending my "expose", I want to mention that I am not a merchant; I do not know anything about commerce; I am only a financier and economist who handled similar matters in the past.

I trust this "expose" will be of interest to you and I am at your entire disposal should you require any further explanations.



ROYAL YUGOSLAV LEGATION
WASHINGTON, D. C.

Dear Sir:

Mr.

Enclosed for the Department of State

is a copy of the report

of the mission to the

State Department.

Very respectfully,
Colonel

Enclosed for the Department of State

is a copy of the report

Very respectfully,
Colonel

Enclosed for the Department of State

is a copy of the report

Very respectfully,
Colonel

Colonel A. S. Perceval
Coordinator of Information
Washington, D. C.

hoping that the above information will be
useful to you, I remain, My dear Colonel,

Constantin Fotitch,
Minister of Rumania

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